

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 39-24267
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-6833
7. Lease Name or Unit Agreement Name Lim
8. Well Number #1
9. OGRID Number 22044
10. Pool name or Wildcat Lybrook Gallup Extension
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6906 KB

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
McElvain Oil & Gas Corporation, Inc

3. Address of Operator
1050 17th Street, Suite 1800 Denver, Colorado 80265

4. Well Location
 Unit Letter _____ M _____ : _____ 1250 feet from the _____ South _____ line and _____ 850 feet from the _____ West _____ line
 Section _____ 36 _____ Township _____ 24N _____ Range _____ 7W _____ NMPM Rio Arriba County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER:

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

McElvain proposes to P&A the referenced well per the attached procedure.

RCVD AUG 28 '09
 OIL CONS. DIV.

DIST. 3

Spud Date: 7/14/1988

Rig Release Date: 7/21/1988

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE R. L. Millet TITLE Sr. Operations Engineer DATE 8/26/2009

Type or print name Ron Millet E-mail address: ronm@mcelvain.com PHONE: 303.893.0933 Ext 375
For State Use Only Deputy Oil & Gas Inspector,
 District #3

APPROVED BY: Felix G. Rosas TITLE _____ DATE SEP 08 2009

Conditions of Approval (if any): PLACE A PLUG ACROSS THE CHACRA FORMATION INSIDE + OUTSIDE CASING PER INSTRUCTIONS ON PAGE #2

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[Handwritten initials]

PLUG AND ABANDONMENT PROCEDURE

August 14, 2009

Lim #1

Lybrook Gallup
1250' FSL & 850' FWL Section 36, T-24-N, R-7-W
Rio Arriba County, NM, API #30-039-24251

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes , No , Unknown
Tubing: Yes , No , Unknown , Size 2.375", Length 5540'
Packer: Yes , No , Unknown , Type _____

If well has rods or a packer, then modify the work sequence in Step #2 as appropriate. Round trip 4.5" casing scraper or gauge ring to 4988'.

4. **Plug #1 (Gallup perforations and top, 4988' – 4888')**: TIH and set a 4.5" cement retainer at 4988'. Load casing with water and circulate well clean. Pressure test tubing to 1000 PSI. **Note: Company records indicate casing leaks from 3580' to 3591' and 568' to 599'**. Mix 12 sxs Class B cement and spot a balanced plug inside the casing above CR to 4888' to isolate the Gallup interval. TOH with tubing.
5. **Plug #2 (Mesaverde top, 3593' – 3493')**: Perforate 3 squeeze holes at 3593'. Attempt to establish rate into squeeze holes. Set 4.5" cement retainer at 3543'. Establish rate into squeeze holes. Mix and pump 60 sxs cement (excess cement due to casing leaks), squeeze 45 sxs outside the casing and leave 15 sxs inside casing to cover through the ^{M.V.}Ojo Alamo top. TOH with tubing.
** CHACRA PLUG - 2900' - 2800' INSIDE AND OUTSIDE CASING.*
6. **Plug #3 (Pictured Cliffs Fruitland, Kirtland and Ojo Alamo tops, 2065' – 1487')**: Mix and pump 48 sxs cement and spot a balanced inside casing to cover through the Ojo Alamo top. TOH with tubing.
7. **Plug #4 (Nacimiento top, 8.625" casing shoe and surface, 587' – Surface')**: Perforate 3 squeeze holes at 587'. Attempt to establish rate into squeeze holes if the casing tested. Mix approximately 225 sxs cement and pump down the 4.5" casing to circulate good cement out the annulus. Shut in well and WOC.
8. ND BOP and cut off casing below ground level. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Lim #1 Current

Lybrook Gallup

1250' FSL & 850' FWL, Section 36, T-24-N, R-7-W
Rio Arriba County, NM / API #30-039-24251

Lat: N _____ / Long: W _____

Today's Date: 8/14/09

Spud: 7/14/88

Comp. 8/28/88

Elevation. 6894' GL
6906' KB

Nacimiento @ 537' *est

Ojo Alamo @ 1537'

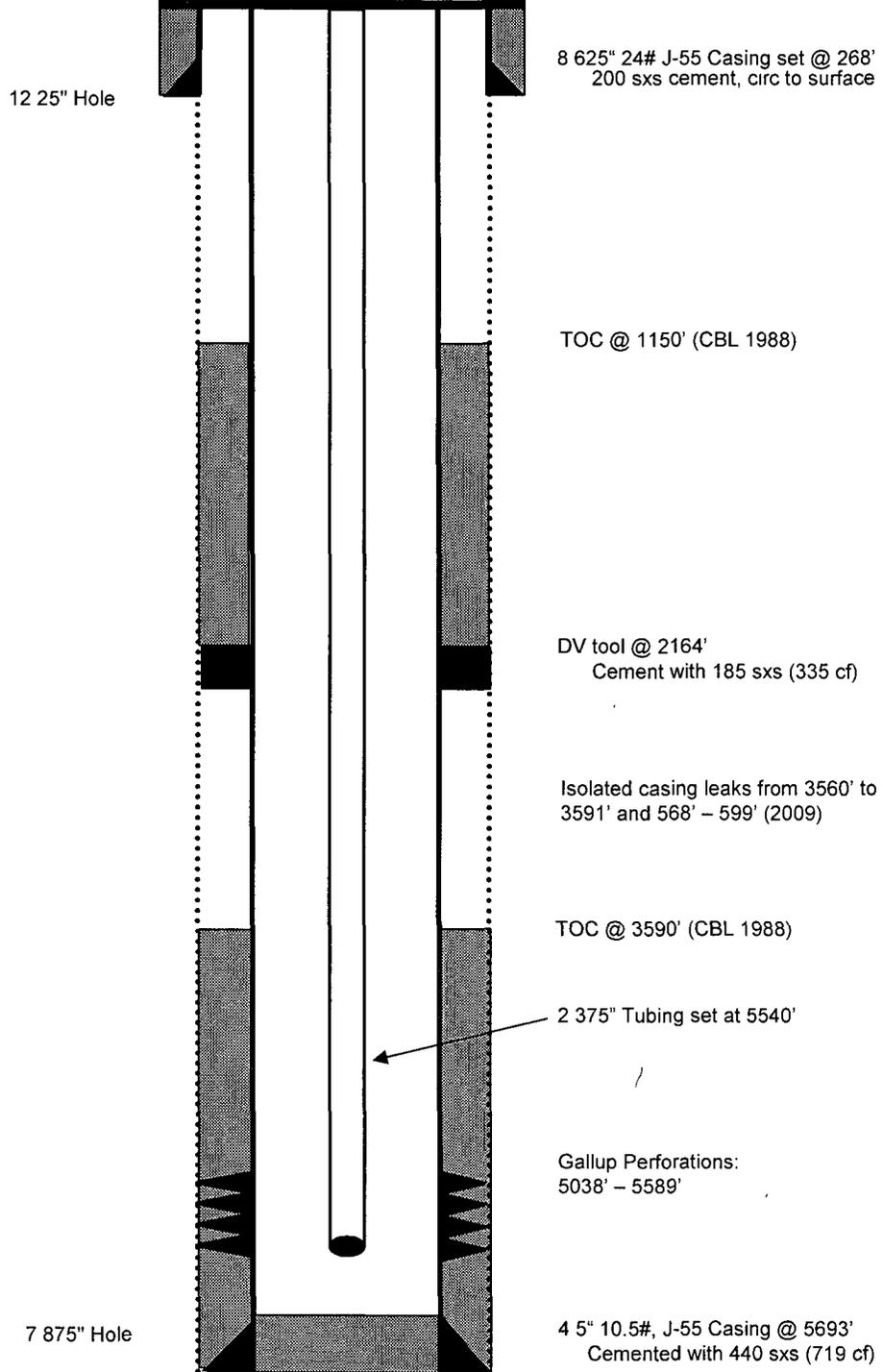
Kirtland @ 1684'

Fruitland @ 1865'

Pictured Cliffs @ 2015'

Mesaverde @ 3543'

Gallup @ 5162'



7 875" Hole

TD 5700'
PBTD 5652'

8 625" 24# J-55 Casing set @ 268'
200 sxs cement, circ to surface

TOC @ 1150' (CBL 1988)

DV tool @ 2164'
Cement with 185 sxs (335 cf)

Isolated casing leaks from 3560' to
3591' and 568' - 599' (2009)

TOC @ 3590' (CBL 1988)

2 375" Tubing set at 5540'

Gallup Perforations:
5038' - 5589'

4 5" 10.5#, J-55 Casing @ 5693'
Cemented with 440 sxs (719 cf)

Lim #1 Proposed P&A

Lybrook Gallup

1250' FSL & 850' FWL, Section 36, T-24-N, R-7-W
Rio Arriba County, NM / API #30-039-24251

Lat: N _____ / Long: W _____

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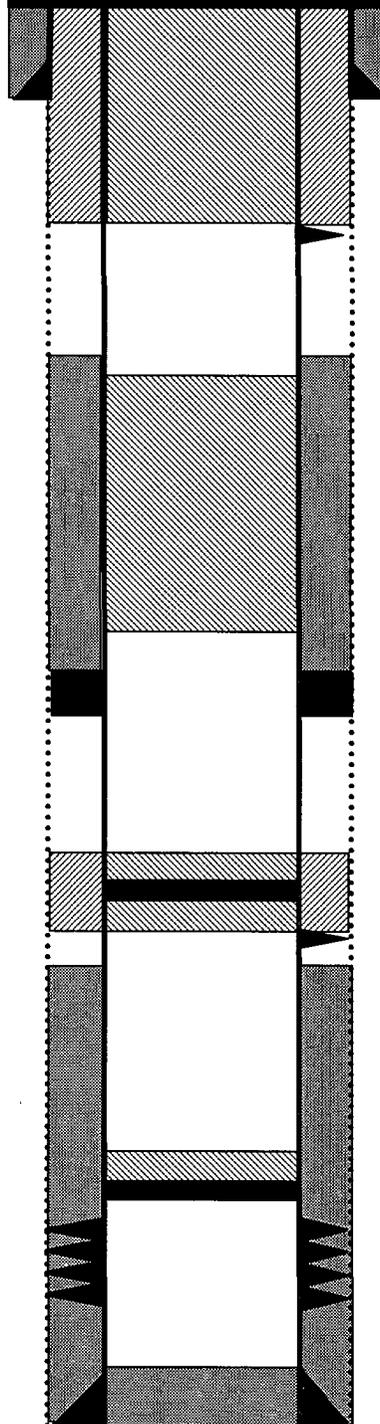
Pictured Cliffs @ 2015'

Mesaverde @ 3543'

Gallup @ 5162'

12.25" Hole

7.875" Hole



8.625" 24# J-55 Casing set @ 268'
200 sxs cement, circ to surface

Plug #4: 587' - 0'
Class B cement, 225 sxs

TOC @ 1150' (CBL 1988)

Plug #3: 2065' - 1487'
Class B cement, 48 sxs

DV tool @ 2164'
Cement with 185 sxs (335 cf)

** CHACEA PLUG
2900' - 2800'*

Isolated casing leaks from 3560' to 3591' and 568' - 599' (2009) *INSIDE + OUTSIDE*

Set CR @ 3543'

Plug #2: 3593' - 3493'
Class B cement, 60 sxs.
15 inside and 45 outside

Perforate @ 3593'

TOC @ 3590' (CBL 1988)

Plug #1: 4988' - 4888'
Class B cement, 12 sxs

Set CR @ 4988'

Gallup Perforations:
5038' - 5589'

4 5" 10 5#, J-55 Casing @ 5693'
Cemented with 440 sxs (719 cf)

TD 5700'
PBSD 5652'